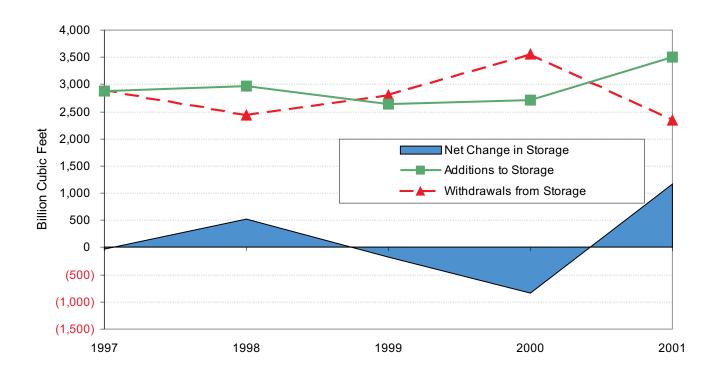
- Texas and Louisiana (including Federal offshore production) continued to account for the majority of natural gas produced in the United States with 5 States accounting for nearly 80 percent of marketed production. The remaining 20 percent of production flows from 27 States.
- The national average natural gas wellhead price was \$4.02 per thousand cubic feet in 2001, which was 7 percent higher than in 2000. In 2001, California had the highest price in the Lower 48 States at \$6.93 per thousand cubic feet, while Nebraska had the lowest average wellhead price at \$2.16 per thousand cubic feet.
- After adjustment for inflation, prices in 2001 were the highest since 1984 when they reached \$4.07 per thousand cubic feet in 2001 dollars. The highest wellhead price occurred in 1983 when it was \$4.11 per thousand cubic feet.³

Natural Gas Storage Inventories Experienced Record Net Additions

Net storage additions for the year were an all-time high of 1,165 Bcf. The stage for unusually large storage additions was set in the previous year, when underground storage inventories at the beginning of the 2000-2001 heating season were at their third lowest level (2,732 Bcf) in the 26-year span of EIA storage data.4 After record-setting cold weather in November and December of 2000, stocks ended that year at 1,719 Bcf. Storage levels at the end of March 2001 reached an all-time low of 742 Bcf. Relatively mild weather at the beginning and end of 2001 contributed to reduced consumption, which helped support large storage additions. For the U.S. as a whole, total gas-customer weighted heating degree days during 2001 were about 9 percent less than normal; more than 4 percent below normal during January and February, and nearly 25 and 16 percent below normal, respectively, during November and December.

Figure 8. Additions, Withdrawals, and Net Change to Storage Inventories, 1997-2001



³ Prices were converted to constant dollars based on the GDP deflators published by the Bureau of Economic Analysis in the "*National Income and Product Accounts Tables*." tables 1.1 and 1.2.

⁴ Stock-level information for LNG storage is not available. However, net LNG storage injections and withdrawals are relatively small. For example, less than 1 percent of the 1,165 Bcf in net storage additions in 2001 was due to LNG activity.